

LEG REG REVIEW

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LEG REG REVIEW is a periodic newsletter produced by Vince Phillips who retired from active lobbying after 31 years of advocacy in Harrisburg. It contains news on the legislative and regulatory scene in Pennsylvania that may be of interest to the Insurance and Business Communities. Annual subscriptions are \$100 and information may be obtained by contacting PHILLIPS ASSOCIATES at 717/728-1217 or e-mail to xenobun@aol.com.

SENATE CHOOSES LEADERS FOR 2023-24

Both Republicans and Democrats Senate Caucuses have chosen their respective leadership teams for the 2023-24 legislative session.

REPUBLICAN

President Pro Tempore Senator Kim Ward (R-Westmoreland)

Majority Leader Senator Joe Pittman (R-Indiana)

Majority Whip Ryan Aument (R-Lancaster)

Appropriations Committee Majority Chair Scott Martin (R-Lancaster)

Caucus Chair Senator Kristin Phillips-Hill (R-York)

Caucus Secretary Senator Carmen Bartolotta (R-Beaver/Greene/Washington)

DEMOCRATIC

Minority Leader Senator Jay Costa (D-Allegheny)

Minority Whip Senator Tina Tartaglione (D-Phila.)

Appropriations Committee Minority Chair Senator Vincent Hughes (D-Phila.)

Caucus Chair Senator Wayne Fontana (D-Allegheny)

Caucus Secretary Senator Marie Collett (D-Bucks/Montgomery)

ELECTION UPDATES

- In the 151st House District, incumbent Republican Rep. Todd Stephens (R-Montgomery) conceded his election loss to Democrat Melissa Cerrato on November 17. Vote totals are Stephens 16,741 and Cerrato 16,799, a difference of 58 votes. **NOTE:** As of November 17, the Department of State had not updated their website voting numbers for this race. It still showed Stephens with a 14-vote lead: <https://www.electionreturns.pa.gov/General/OfficeResults?OfficeID=13&ElectionID=undefined&ElectonType=undefined&IsActive=undefined>.
- In the 142th House District, Republican Joe Hogan (R-Bucks) increased his lead over Democrat Mark Moffa to 54 votes per the PA Department of State 11/16/22. Preliminary election results showed that Hogan only led by two votes. Current vote totals are Hogan 15,448 and Moffa 15,394.
- In this election per the Department of State on November 15, reported that 1,244,072 mail-in votes were cast. Of these, 68.9% were cast by registered Democrats, 21.2% were cast by registered Republicans, and 9.9% were cast by others (presumably Independent voters). In short, mail-in ballots accounted for almost 12% of the total number of registered voters (8,864,831).
- Correction: Some LEG REG Review November 13 editions incorrectly stated that Governor Shapiro's Budget Address would take place February 7. The correct date is March 7. Thanks to a reader who pointed out the error.
- **Imagine that!** Senator-elect John Fetterman attended orientation briefings in Washington this week and he was photographed wearing a button-down shirt and tie.

LEGISLATIVE UPDATES

The 2021-22 legislative session will end on November 30. In what may be the last insurance bill introduced for this session is **House Bill 2922** (Guernst-D-Delaware). This would address what the sponsor calls insurance company "stalling" when it comes to settling disaster claims promptly. This legislation also would require that

insurance companies notify policyholders of Federal disaster funds “available to them in times of crisis.” HB 2922 was referred to the House Insurance Committee on November 15.

MAJOR MANAGED CARE BILL SIGED INTO LAW

A major re-write of the PA Managed Care Law regarding prior authorization and numerous other provisions was signed into law by Governor Tom Wolf on November 3. **Senate Bill 225** (Phillips-Hill-R-York), Act 146 of 2022, was described in detail in the October 31 LEG REG Review. A link to the law beginning with page 49 follows:

<https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2021&sessInd=0&billBody=H&billTyp=B&billNbr=2057&pn=3299>.

OTHER NEW INSURANCE LAWS signed into law by Governor Wolf November 3

- **Senate Bill 1201** (Pittman-R-Indiana) was signed into law as Act 162 of 2022. It concerns coverage for refills of prescription eye drops. It would require health insurance policies offered, issued, or renewed in this Commonwealth to provide coverage for prescription eye drop refills at 70 percent of the prescription duration. The eye drops must be prescribed by a health care practitioner and be a covered benefit under the health insurance policy of the insured individual.
- **House Bill 1630** (Fritz-R-Wayne/Susquehanna), now Act 98 of 2022, gives the Auditor General the authority to audit Pharmacy Benefits Managers (PBMs) that subcontract with Medical Assistance Managed Care Organizations. Formerly, audits were done by the Department of Human Services.
- **House Bill 1958** (Hennessey-R-Chester), Act 120 of 2022, allows for a driver improvement school or special examination for those individuals having six points. Failure to complete means that the person cannot regain full driving privileges.
- **House Bill 2057** (Roae-R-Crawford/Erie), Act 122 of 2022, is a massive 262-page law dealing with corporations. Of note to insurance producers who sell Directors & Officers (D&O) Insurance is Section 3321. Standard of conduct for directors starting on page 170. includes “*standards of care, justifiable reliance and business judgement rules.*” It also changes the phrase ‘*knowing violation of law*’ to “*recklessness*”. Link: <https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2021&sessInd=0&billBody=H&billTyp=B&billNbr=2057&pn=3299>.
- **House Bill 2398** (Oberlander-R-Clarion), Act 130 of 2022, provides for the regulation of highly automated vehicles with or without a human driver. A highly automated vehicle with or without a driver must have \$1,000,000 of coverage per incident for death, bodily injury, or property damage.
- **House Bill 2527** (Quinn-R-Delaware), Act 135 of 2022, amends Act 139 (Good Samaritan Law) to change the word ‘naloxone (Narcan)’ to the more inclusive ‘opioid antagonist’. This term describes any FDA-approved drug for the treatment of an opioid overdose.
- **House Bill 2648** (Lawrence-R-Chester), Act 141 of 2022, requires contractors and subcontractors to verify that they are enrolled in the E-Verify Program (EVP) regarding legal status of employees. It also provides for penalties ranging from \$2,500 to \$25,000 per violation of not having submitted a verification form or falsifying new employee information. In addition, contractors and subcontractors beginning with the second violation are subject to disbarment from public work.
- **Senate Bill 731** (Mensch-R-Montgomery/Berks/Bucks), Act 152 of 2022, allows charitable organizations to use a de-risking annuity contract with an insurer to satisfy the financial requirements of a charitable gift annuity.

LEAD TEST MANDATED BENEFIT BILL SIGNED INTO LAW

Governor Wolf also signed a two mandated benefits bills into law November 3. It is **Senate Bill 522** (Baker-R-Luzerne/Pike/Susquehanna/Wayne/Wyoming), Act 150 of 2022. SB 522 mandates health insurer coverage of at least one blood lead test per high-risk pregnancy and at least one confirmatory test for children under two years of age.